

## Bright Questions USDA, Commerce Officials on Implementation of Broadband Grants

WASHINGTON, DC- Congressman

Bobby Bright questioned Department of Agriculture (USDA) and Department of Commerce officials today on the implementation of broadband technology grants through the American Reinvestment and Recovery Act. Approximately \$7.2 billion was made available through the Broadband Technology Opportunities Program (BTOP) and Broadband Initiatives Program (BIP). During the first round of applications, nearly 2,220 organizations or entities applied for grants or loans totaling almost \$28 billion.

Congressman Bright has expressed strong support for increased access to broadband technology. However, he is concerned about the implementation of grant and loan programs, specifically the complex application process and the very specific definition of a remote rural area. Additionally, he is concerned about inadequate funding relative to the high demand for rural broadband service.

“Broadband access, especially for rural areas, can be the deciding factor for businesses looking to open their doors, expand services, or move to a new location,” Bright said. “The Recovery Act has tremendous opportunities for broadband access, especially in rural areas, but there are issues with the application process and requirements. As the number of applications submitted in the first round indicates, there is a great need for expanded broadband access across America. It’s my job to ensure that these opportunities are made readily available to people in the Second District of Alabama.”

Below is a copy of Congressman Bright’s opening statement and questions, as prepared. He was able to ask the first question at the hearing while the others were submitted for the record. Congressman Bright’s opening statement and question, with answer, can be viewed [here](#).

**OPENING STATEMENT:**

As you are probably aware, American small businesses stand to benefit greatly from increased access to broadband. We know that while dial-up internet services can provide some of the same applications and services, broadband services permit faster downloading and uploading of bandwidth-rich applications, video, music, pictures and data. As producers or consumers of these services and applications, small businesses stand to benefit from broadband deployment and its use.

Broadband development would be particularly beneficial to small businesses in Alabama. A large number of small businesses in my district operate in rural areas, and studies indicate that this puts them at further disadvantage. The Small Business Administration found that rural small businesses do not subscribe to broadband services as frequently as urban small businesses do, finding the difference in broadband use between rural and urban areas to be statistically significant. I also know that rural small businesses tend to pay higher prices for broadband services than urban small businesses do, probably because of the costs associated with serving less populated areas and a lack of competition in rural areas. This fact highlights the importance of the \$7.2 billion made available through the American Recovery and Reinvestment Act for increased deployment and adaptation of broadband technologies. Of further importance is ensuring that, in the process of awarding these funds, we get it right. I am appreciative of your willingness to testify today, and hope that we can work together in order to find the most effective way of doing so.

1.

Rural Utilities Service (USDA) Administrator  
Jonathan Adelstein

&ndash; The ARRA requires areas served by BIP-funded projects to be at least 75% rural. However, your agency went beyond the ARRA requirements and beyond the USDA&rsquo;s definition of rural and imposed new definitions of &ldquo;remote area&rdquo; and &ldquo;non-remote.&rdquo; The definition of a &ldquo;remote area&rdquo; is a rural unserved area at least 50 miles from a population greater than 20,000 inhabitants. Can you share where this definition came from? Is your agency aware of how many rural and unserved customers are excluded from receiving BIP funding because of this? Do you plan on removing or altering the &ldquo;remote area&rdquo; definition in the second round of funding?

2.

Administrator Adelstein - Given that rural areas are some of the most difficult and economically challenging to serve, will changes be made in future rounds to allow 100% grant funding for all rural, unserved projects?

3.

Administrator Adelstein and Assistant Secretary for Communication and Technology for the National Telecommunications and Information Administration (Department of Commerce) Lawrence Strickland &ndash; As you are both aware, the application process for both BTOP and BIP is a complex one. The ability to navigate through such an intricate application process is a significant hurdle for many small businesses. Do either of you have any plan for ensuring that the second round's application process is more small business-friendly?

4.

Both Administrator Adelstein and Secretary Strickland &ndash; From news reports I have read that ARRA funding applications total \$28 billion in loans and grants. I recognize that even \$4 billion is likely not enough to ensure that everyone in this country has access to broadband, but if your agencies award the full amounts allowed for grants and loans in the first round of funding how much closer will we be to deploying broadband internet to all Americans currently without it?

5.

Mr. James Gleason, President and CEO of NewWave Communications, representing the American Cable Association &ndash; In your testimony, you state that &ldquo;NTIA and RUS should not waste taxpayer dollars on funding broadband projects that intend to provide service in areas already served.&rdquo; Do you have any suggestions as to how they could avoid this in the second funding round?

6.

Mr. Gleason &ndash; You also mention that the current rules give certain entities an advantage in applying for funds. Could you elaborate on this point?